

Out of Scope for Offutt VITA Tax Year 2014 - Tax Season 2015

- Taxpayers who **cannot** substantiate their identity
- Taxpayers with F, J, M, or Q visas
- Nonresident aliens who do not meet the green card or substantial presence test and are not married to a U.S. citizen or resident alien
- Self-employed health coverage deductions for the premium tax credit
- Taxpayers who may qualify for the health coverage tax credit
- A spouse who may be relieved of joint liability
- Taxpayers with income from the following sources reported on Form 1040
 - Other gains/losses (line 14)
 - Farm income (line 18)
- Taxpayers affected by the Additional Medicare Tax
- Certain children with unearned income who must file Form 8615
- Accrual method for reporting income
- Taxpayers who buy or sell bonds between interest payment dates
- Form 1099-INT, box labeled Specified private activity bond interest if AMT applies
- Adjustments needed for any of the amounts listed on Form 1099-OID, or if the taxpayer should have received Form 1099-OID but did not receive one
- Form 1099-DIV, boxes labeled Unrecap. Sec. 1250 gain, Section 1202 gain, Cash liquidation distributions, and Noncash liquidation distributions
- Tax returns for ministers and members of the clergy because of unique tax issues
- Household employee

Business Income/Self-Employed

- Hobby income or not-for-profit activity
- Return and allowances
- Cost of goods sold
- Expenses for employees
- Business use of home
- Casualty losses
- Vehicle expenses reported as **actual expenses**
- Depreciation
- Rental or lease expense - vehicle, machinery, and equipment leases of more than 30 days
- Accounting methods other than the cash method
- A "No" response that indicates the taxpayer does not meet any of the tests of material participation, or is uncertain about materially participating in a business
- Taxpayers who receive any credit card or similar payments that included amounts that are not includible in income
- A "Yes" response indicating there is a requirement to file Form(s) 1099

Capital Gains/Losses

- Taxpayers who have sold any assets other than stock, mutual funds, and a personal residence
- Like-kind exchanges, wash sales, and worthless securities
- Form 1099-B, boxes on Wash sales; Bartering; Profit or (loss) realized on closed contracts; Unrealized profit (loss) on open contracts - prior year; Unrealized profit or (loss) on open contracts - current year; or Aggregate profit (loss) on tracts
- Reduced exclusion computations/determinations in the sale of a home

- Married homeowners who do not meet all requirements to claim the maximum exclusion on the sale of a home
- Decreases to basis, including:
 - Deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997
 - Depreciation during the time the home was used for business purposes or as rental property
- Taxpayers with "nonqualified use" issues
- Sale of a home used for business purposes or as rental property

Retirement

- Retirement income from SIMPLE IRAs and SEP IRAs
- The taxpayer needs to file Form 8606
- Taxpayers who made nondeductible contributions to a traditional IRA
- Roth IRA distributions that are taxable or partially taxable
- IRA rollovers that do not meet the tax free requirements
- Part of a distribution is a return of after-tax contributions (may require Form 8606)
- Taxpayers who used the General Rule to figure the taxable portion of pensions and/or annuities for past years
- Form 1099-B, distribution code A (lump-sum distribution qualifying for special tax treatments)

Rental Income/K-1

- Taxpayers who rent their property at less than fair rental value
- Rental-related interest expenses other than mortgage interest
- The actual expense method (auto and travel expense deductions)
- Casualty loss
- Completing Form 8582 (Passive Income)
- Taxpayers who filed or need to file Form(s) 1099

Adjustments to Income

- Other adjustments to income on Form 1040, such as:
 - Self-employed health insurance deduction
 - Self-employed SEP, SIMPLE, and qualified plans
 - Domestic production activities deduction
- Form 8606, Nondeductible IRAs

Standard Deduction/Itemization

- Casualty and theft losses
- Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes
- Taxpayers affected by limits on charitable deductions
- If the taxpayer is donating property that was previously depreciated
- If the taxpayer is donating capital gain property

Foreign Tax Credit

- Taxpayers who paid foreign taxes that do not qualify for the credit, and wish to deduct the taxes on Schedule A
- Certain expenses deducted to reduce foreign gross income
- Taxpayers who must report a carryback or carryover on Form 1116
- Taxpayers who must file a separate Form 12116 required for foreign income from a sanctioned country, using the "Section 901(j) income" category

Miscellaneous Credits

- Mortgage interest credit

Other Taxes

- Household employment taxes
- Parts II through VIII of Form 5329 (only Part I is in scope)

Taxpayers who choose to claim any of the following credits:

- Form 4136, Credit for Federal Tax Paid on Fuels
- Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains
- Form 8839, Qualified Adoption Expenses
- Form 8885, Health Coverage Tax Credit